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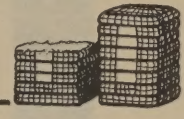
BUYING POWER OF COTTON AND COTTON SEED

COMMODITY GROUP

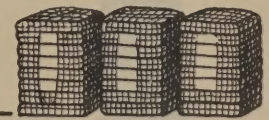
COST IN TERMS OF COTTON

(Price of 900 Pounds of Cotton Seed
Included in Price of Bale.)

1910
TO
1914



1930



1931



1932



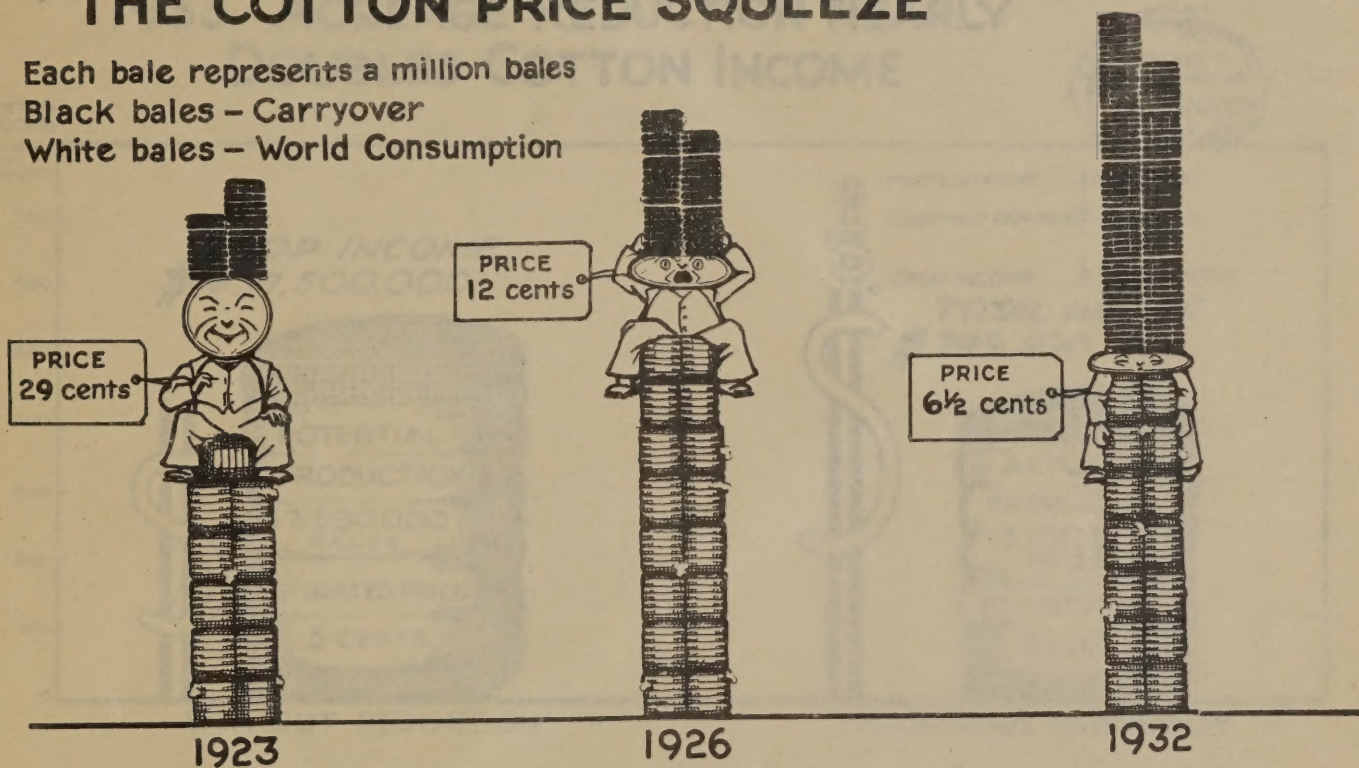
The articles that cost a farmer slightly over one and one-half bales of cotton in the period from 1910 to 1914, cost him three bales in 1930. The large crop of 1931 caused cotton prices to fall still lower, and in that year the farmer had to pay five bales of cotton for the same list of articles. Large surpluses increase the "disparity" between cotton prices and the prices of things the farmer buys. The way to restore the buying power of cotton is to eliminate the surplus. The Agricultural Adjustment Administration's program of production control provides a means to do this. Growers who cooperate with the Government will be helping to bring about the adjustments necessary to bring back the buying power of their crop.

THE COTTON PRICE SQUEEZE

Each bale represents a million bales

Black bales - Carryover

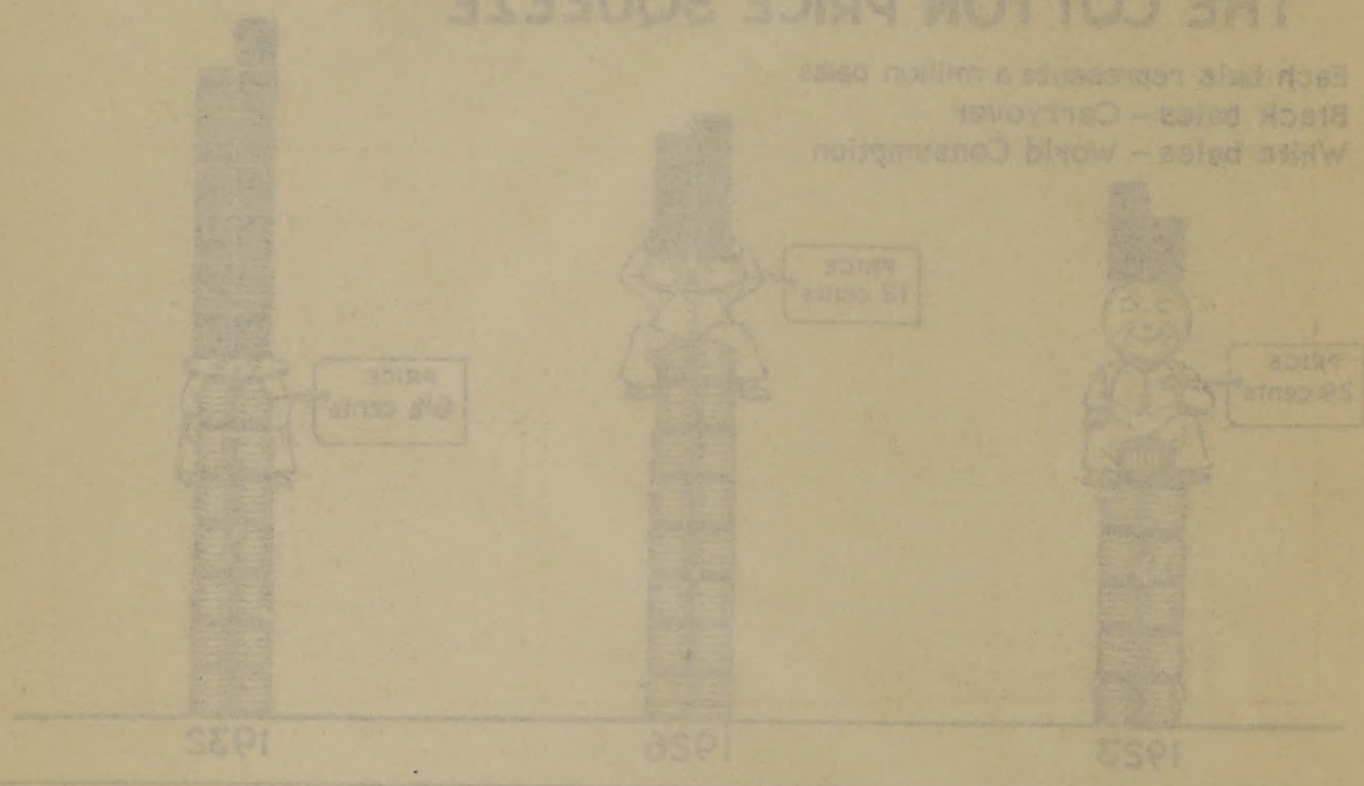
White bales - World Consumption



Caught between a top-heavy surplus and low consumption, the price of cotton to the southern grower has been squeezed unmercifully. Back in 1923 the carryover was not so heavy, and the price to growers was high. By 1926 the squeeze began to be felt. Though consumption had increased, the acreage and production had increased to a greater extent, and there was a carryover of nearly six million bales. By 1932, as the graph shows, the squeeze was painful. Consumption dropped by two million bales, and the carryover amounted to thirteen million. The price of cotton could not hold up under such conditions, nor can it be expected to recover until this carryover is lightened by an adjustment in acreage and production. The Agricultural Adjustment Administration will aid growers to make such an adjustment in the crop of 1934.

THE COTTON PRICE SQUEEZE

Each bale represents a million bales
 Black bales - Cotton
 White bales - World Consumption

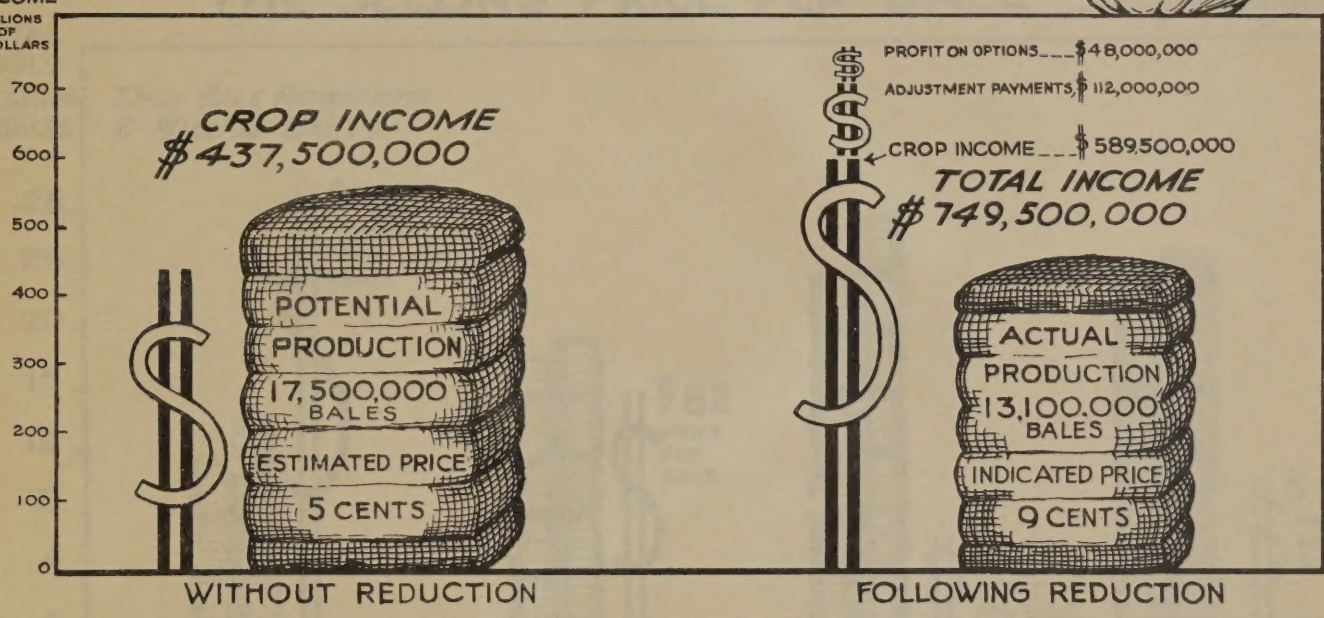


World cotton production has been increasing steadily since 1935. In 1955, the world produced 100 million bales of cotton, while the world consumed only 80 million bales. This surplus of 20 million bales has led to a sharp decline in cotton prices. In 1935, the price of cotton was 15 cents per bale. By 1955, the price had fallen to 10 cents per bale. This price squeeze has had a devastating effect on cotton producers, who have been forced to sell their cotton at a loss. The price squeeze has also led to a decline in cotton production, as farmers have been unable to cover their costs. This has led to a further decline in cotton production, creating a vicious cycle. The cotton price squeeze is a major problem for cotton producers and consumers alike. It is a problem that must be solved if the cotton industry is to survive.

1933 ACREAGE REDUCTION NEARLY DOUBLES COTTON INCOME

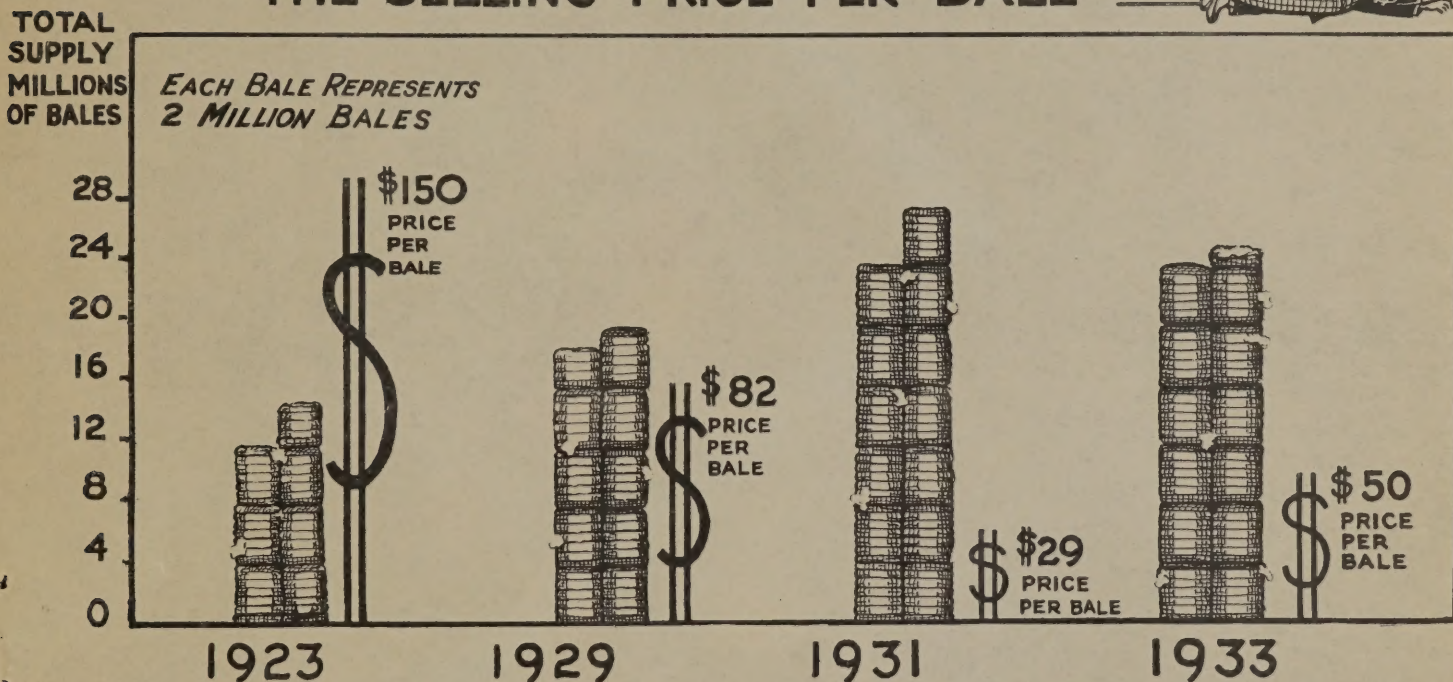
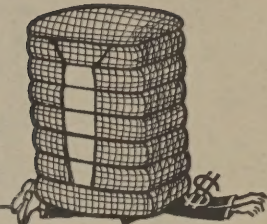
COTTON
INCOME
MILLIONS
OF
DOLLARS

INCREASE IN
COTTON INCOME
\$312,000,000



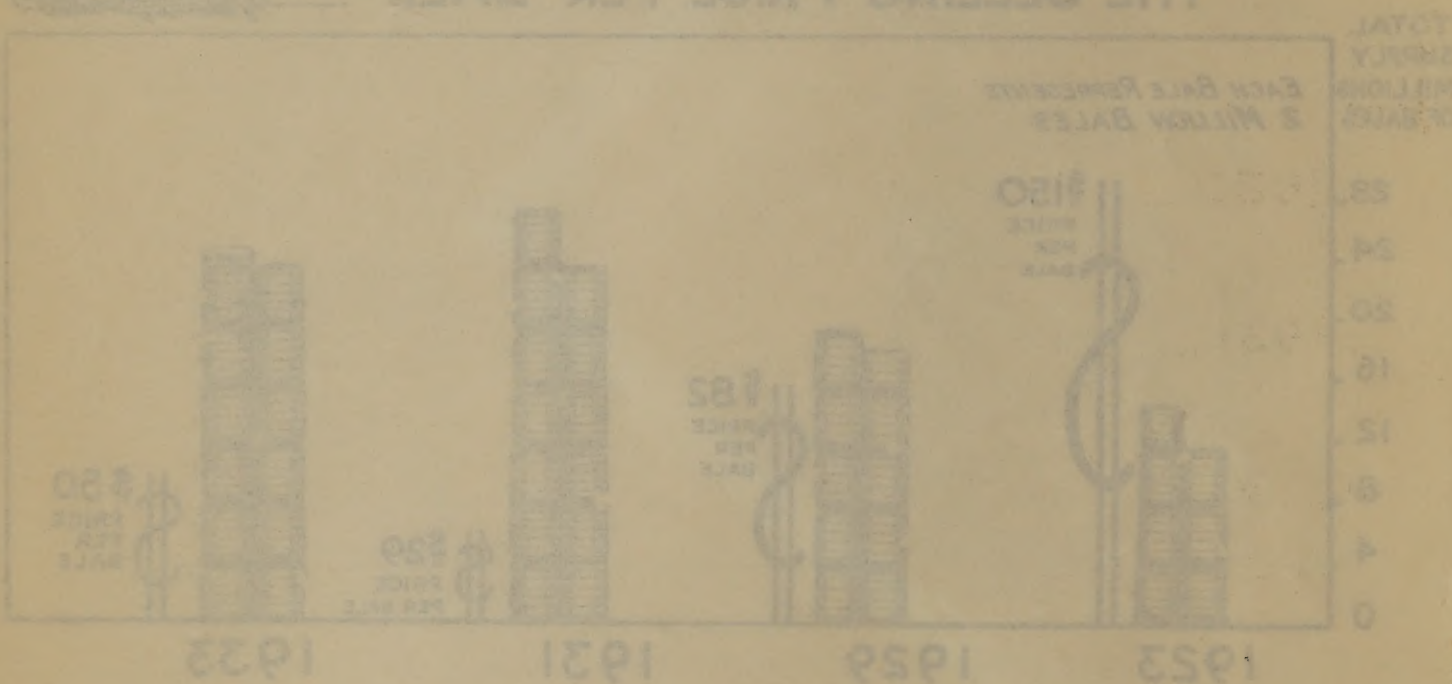
This graph shows what happened when the cotton grower cooperated with the Agricultural Adjustment Administration to reduce the cotton acreage in 1933. Had it not been for the plow-up campaign and the fine spirit of cooperation exhibited by southern growers, disaster would have befallen the Cotton Belt in the fall of 1933. The above graph tells this better than words. A potential yield of seventeen and one-half million bales was reduced to thirteen and one-tenth million bales by the action of the Agricultural Adjustment Administration, and, as a result, the income that the cotton grower received from his lint cotton was nearly doubled. Realizing these facts, cotton growers are expressing a desire to cooperate in future adjustment programs.

THE LARGER THE SUPPLY THE SMALLER THE SELLING PRICE PER BALE



More cotton but less money from it. Farmers know this, but heretofore there has been no method by which they could be assured of full cooperation by all growers all over the Belt in reducing acreage. The Agricultural Adjustment Administration offers such a method now, and the grower who will cooperate will be paid for his cooperation. As a result, the whole Cotton Belt will benefit, the surplus will be reduced, and the outlook for the future will be brightened. A study of this graph should naturally cause the farmer to pause before he produces cotton in excess of consumptive requirement.

THE LARGER THE SUPPLY THE SMALLER THE SELLING PRICE PER BALE



There is a clear trend in the cotton industry, but the government has been inaction in which they could be expected to take action by all growers all over the world in cotton. The government's adjustment of the cotton industry is a result of the cotton industry's will to be paid for its cotton. As a result, the cotton industry will be paid for its cotton, and the cotton industry will be paid for its cotton. A study of this graph would indicate that the cotton industry is in a position to be paid for its cotton.